

## Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00  
DODE-00 DOTE-00 INR-10 NSAE-00 FAA-00 L-03 /036 W  
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FM AMEMBASSY BONN

TO SECSTATE WASHDC PRIORITY 6459

INFO AMCONSUL FRANKFURT

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E.O. 11652: N/A

TAGS: EAIR, GW

SUBJECT: CIVAIR: AIRLINE DESIGNATIONS BETWEEN US AND FRG

REF: A. BONN 3277, B. STATE 47589

1. PAAS AND STUKENBERG OF AVIATION SECTION OF FEDERAL MINISTRY OF TRANSPORT (FMT) ON MARCH 6 DISCUSSED WITH EMBOFF FRG VIEWS ON AN ADDITIONAL DESIGNATION FOR LUFTHANSA IN THE SOUTHERN US AS INDICATED IN AN FRG NOTE REPORTED IN REF A. PAAS CONCEDED POINT REF B THAT MENTION OF FAIR AND EQUAL OPPORTUNITY IN ARTICLE 8 OF US-FRG BILATERAL DID NOT MEAN THAT GERMAN CARRIER HAD AUTOMATIC RIGHT TO SERVE ANY CITY THAT WAS USED BY AN AMERICAN CARRIER AS ORIGIN FOR FLIGHTS TO THE FRG. HE MAINTAINED, NEVERTHELESS, THAT FAIR AND EQUAL OPPORTUNITY APPLIED IN A BROADER SENSE THAN IN ARTICLE 8, IN FACT, THAT IT WAS THE "SPIRIT" BEHIND THE AGREEMENT, AND A "COMMON PRINCIPLE" OF BILATERAL AGREEMENTS.

2. IN THE FMT VIEW, THE SITUATION HAS CHANGED BASICALLY IN RECENT YEARS TO THE POINT THAT PAAS CALLED IT THE MOST UNBALANCED BILATERAL ARRANGEMENT HE HAD SEEN IN  
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HIS ENTIRE CAREER, A "VERY, VERY ONE-SIDED SITUATION" FOR WHICH "THERE MUST BE SOME KIND OF SOLUTION." STUKENBERG SAID THAT THIS IMBALANCE CONSISTED OF AN 80 PERCENT TO 20 PERCENT RATIO FOR CHARTER PASSENGERS IN FAVOR OF THE US, SUPERIOR FIFTH FREEDOM RIGHTS FOR AMERICAN CARRIERS AND MORE FAVORABLE CHANGE OF GUAGE RIGHTS FOR US CARRIERS. HE CLAIMED THAT PAN AM HAS OR

WILL HAVE MORE CAPACITY BETWEEN THE FRG AND HONG KONG AND IRAN THAN HAS LUFTHANSA. UNTIL RECENTLY, SCHEDULED TRAFFIC BETWEEN THE TWO COUNTRIES WAS ABOUT EQUAL, HE SAID, BUT, WITH THE NEW ROUTES FILED BY NATIONAL, TWA AND PAN AM, AMERICAN CARRIERS WOULD HAVE MUCH MORE CAPACITY IN THIS TRAFFIC THAN WOULD LUFTHANSA.

3. IN THIS SITUATION, PAAS SAID, THE SPIRIT OF EQUITY OF THE BILATERAL JUSTIFIES ONE ADDITIONAL DESIGNATION FOR LUFTHANSA IN THE SOUTHERN US AND THIS IS ALL THE FRG IS SEEKING. THE REQUEST FOR ADDITIONAL ROUTES FOR NATIONAL IS IN ITSELF SUFFICIENT JUSTIFICATION FOR THIS WITHOUT CONSIDERING THE TWA AND PAN AM FILINGS. THEREFORE, THE FRG FEELS THAT US SHOULD GRANT THE ADDITIONAL DESTINATION REQUESTED WITHOUT CONSULTATIONS BEING NECESSARY.

4. PAAS SAID THAT IT WOULD BE "USEFUL" TO HAVE THE REQUESTED "BINDING DECLARATION" PRIOR TO THE HEARINGS ON NATIONAL'S FILING (SCHEDULED FOR MARCH 29). THE FRG IS NOT RPT NOT MAKING A USG DECLARATION THAT LUFTHANSA BE GIVEN A DESTINATION ON THE SOUTHERN US A CONDITION TO APPROVING NATIONAL'S APPLICATION, BUT IT WILL TAKE THE USG REPLY TO ITS NOTE, WHETHER POSITIVE OR NOT, INTO CONSIDERATION IN DECIDING ON NATIONAL'S FILING AND ON WHAT IF ANY CONDITIONS AND RESTRICTIONS IT LIMITED OFFICIAL USE

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MIGHT DECIDE TO PLACE ON NATIONAL.

5. STUKENBERG REMARKED THAT THE US PRESS HAD REPORTED A USG WILLINGNESS TO GRANT AN ADDITIONAL DESTINATION TO LUFTHANSA IN RETURN FOR A MORE LIBERAL CHARTER POLICY ON THE PART OF THE FRG. HE SAID THAT THE FRG COULD NOT ACCEPT THIS. PAAS ADDED THAT, AS SHOWN BY THE 80-20 IMBALANCE, THE FRG ALREADY IS "SO LIBERAL THAT IT CANNOT BE MORE LIBERAL."

6. WHILE PAAS AND STUKENBERG WOULD NOT SAY SO FLATLY, IT SEEMS CLEAR THAT NATIONAL'S NEW ROUTES WILL NOT BE APPROVED BEFORE THE USG REPLIES TO THE REQUEST FOR A BINDING DECLARATION. THEY SEEMED TO IMPLY, AGAIN BEING CAREFUL NOT TO MAKE A COMMITMENT, THAT NATIONAL WOULD BE APPROVED EVEN IF THE USG REPLY, AS THEY SEEM TO ANTICIPATE, DOES NOT SIMPLY GRANT LUFTHANSA THE HOPED FOR ROUTE. IT IS POSSIBLE THAT THEY SEE SOME ADVANTAGE IN PUTTING THE USG INTO A POSITION WHERE IT WILL ASK FOR CONSULTATIONS RATHER THAN THEMSELVES SEEKING CONSULTATIONS. MEEHAN

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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**Draft Date:** 06 mar 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
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**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
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